

## Reaching And Attracting The New 21st Century Traveler

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Hotel Distribution Industry find personalization, peer-to-peer info is key to capturing Gen Y consumers

Whether you call them Gen Y, the Millennials, Echo Boomers, the Net Generation or Worlders, the currently generation of 12 to 27 year olds is information savvy and media-oriented. To reach this segment of the market, the Hotel Distribution Industry will need to employ strategies that meet the needs of this hyper-technological group, say speakers at the 2007 Hotel Electronic Distribution Network Association (HEDNA) Conference held on 22 May 2007 at the Burlington Hotel in Dublin, Ireland.

The Millennial's view of the world is that 'life is to be shared, displayed and lived on the world stage,' says Dr. Lalia Rach, associated deal of the New York University's (NYU) Tisch Center and HVS International Chair at NYU. Millennials feel they share music, media and movies with others around the world, leading to shared experience. This generation feels that cultural differences have only a secondary impact on their lives. Millennials have high expectations, expect to receive recognition for their achievements and place a great deal of importance on peer-to-peer experiences. In addition, they are considered to be unconventional - this is the generation that wears flip-flop sandals in the middle of winter in the Northern Hemisphere. Yet, this is the group that is schedule sensitive and still close to parents.

Marketing to this segment of travelers calls for different approaches. According to Rach, marketing needs to be on the Millennial's schedule, which is based on a 24/7 availability - this generation won't accept that brick-and-mortar businesses close when the Internet is open all the time. The Hotel Distribution Industry should look at using social networks to get their messages to the Millennials. The ideal technological tool for this generation is the Apple iPhone, which encompasses all the tech changes in one device. 'It's all about the experience, lifestyle and personalization,' Rach says.

### **Reaching an emerging segment - the Chinese traveler**

The Millennials aren't the only up-and-coming consumer segment that needs to be addressed by the Hotel Distribution Industry. More and more Chinese are traveling. Hotels can and should be marketing to them - especially hotels in Europe, advises Tom Jenkins, executive director, European Tour Operators Association. Jenkins believes this is a potentially huge market although at the moment, 75% of Chinese travelers visit only Hong Kong and Macao due to credit card and visa issues.

The Association recently surveyed travel agents in three Chinese cities - Guangzhou, Shanghai and Beijing. The survey found the number one travel destination is France, followed by Italy, Switzerland and Germany. Europe is attractive due to shopping, scenery, its culture, dining and outdoor activities. On the plus side, the Chinese find Europe to be modern, civilized and cultured. On the negative side, the Chinese feel Europeans are arrogant and discriminatory, and that the region is expensive and dirty.

Marketing in China is difficult, says Jenkins, noting that the Chinese will research hospitality information online but still use travel agents for bookings.

### **The changing face of online booking**

Until about five years ago, online booking wasn't available on many websites in the West. But that's changed dramatically. A panel composed of Google, Marriot Hotels, Lastminute.com, TripAdvisor and FlairView reviewed the progress of consumers in researching, choosing and booking hotels online.

Typically, consumers start a search on Google and then drill down for detail, with particular emphasis on other consumers' reviews and comparison shopping for the best deal. Referral sites, such as TripAdvisor, allow consumers to get the good and bad news about a hotel before deciding to book. Meta search products like Kayak.com are useful for checking prices.

In addition, consumers want to see the complete experience a location has to offer in terms of sights of interest, the hotel's accommodations, and other amenities. Consumers want to 'be able to experience the vacation before arriving' at the destination, says panel moderator Bruce Speechley, business unit leader/Travel and Transportation, IBM Global.

### **The five cultural trends affecting the hotel distribution industry**

Understanding consumers' expectations is paramount to delivering the type of hospitality experience that will bring repeat business and earn excellent word-of-mouth recommendations. These expectations are being driving by five major cultural trends, according to Daniel Levine, founder, Avant-Guide. These trends are:

- \* **Exclusivity through personalization and localization** -- consumers expect to be catered to for their hospitality needs.
- \* **Upscale design** -- Design no longer is viewed as a luxury, but a trend to be honored.
- \* **Control and consumer transparency** - consumers want to feel they are in control of their hospitality experience, whether it be using price comparison sites, placing live phone pictures online for others to see at websites like ComVu.com, or posting reviews of services on a website like Consumerist.com.

\* **Empathy and social networking 2.5** - This is the intersection between real and virtual worlds. Various companies are offering networking opportunities from choosing your cab-sharing partner to IM-ing another passenger on the same plane to invitation-only 'meet spaces' designed to bring like-minded travelers together. Hotels, particularly, 'are a natural and organic place for social networking.'

\* **Abundance** - The wealth of opportunities to service micro niches - whether it be the Millennials or over 50s -- allows personalization of services and offerings.

Finally, Levine points out that hotels need to be seen as being dedicated to green initiatives in order to appeal to travelers.

#### **About HEDNA**

The Hotel Electronic Distribution Network Association (HEDNA) is a not-for-profit trade association whose worldwide membership includes executives and managers from over 200 of the most influential companies in the hotel distribution industry. Founded in 1991, all of HEDNA's activities are intended to stimulate the booking of hotel rooms through the use of GDS, the Internet and other electronic means. HEDNA brings all segments of the hotel industry together to evolve systems and services into electronic distribution that is easy and efficient. Additional information on HEDNA is available by calling +1 202-204-8400 or by visiting [www.hedna.org](http://www.hedna.org).

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